

Request for Proposals

Updated January 9, 2007

<p>Purpose: The Department of Disabilities, Aging and Independent Living (DAIL) is seeking proposals from community providers and other interested stakeholders or organizations interested in receiving planning funds to develop a business plan for a community-based entity that would be part of an integrated health and long-term care system. Planning funds are available to develop the capability and expertise necessary to participate in a new health care delivery model for elderly or physically disabled Vermont adults who are found clinically eligible by the Department for the high or highest need group under Choices for Care, Vermont's Long-Term Care Medicaid program. In the future the Department may propose expanding the model to include all the Vermonters who are Medicare and Medicaid eligible.</p>	<p>Request Date: November 27, 2006; <i>Updated January 9, 2007</i></p>
<p>Open to: Organizations or a network of organizations interested in collaborating with the Department in the development of a business plan to provide integrated primary, acute and long-term care to dually eligible older adults and adults with disabilities. The Department will consider funding up to 5 proposals.</p>	<p>Open Date: November 27, 2006 Educational Seminar: December 19, 2006 Bidders Conference: December 21, 2006</p>
<p>Locations: Statewide or regional</p>	<p>Closing Date: <i>3:30 p.m., Friday, February 23, 2007</i> Contract Award(s) Announced: <i>Friday, March 16, 2007</i> Anticipated Start Date: <i>Monday, April 16, 2007</i> Anticipated Completion Date: <i>Friday, August 31, 2007</i></p>
<p>Keywords: Integrated health care, health systems, planning health systems</p>	<p>Estimated Dollar Value: up to \$75,000 per award, regional or statewide.</p>

BACKGROUND INFORMATION

Overview

In October 2004, Vermont was awarded a three-year Real Choice Systems Change Grant from the Centers for Medicaid and Medicare Services (CMS). Under the umbrella of Vermont's Agency of

Human Services, the Department of Disabilities, Aging and Independent Living (DAIL), working in collaboration with the Office of Vermont Health Access, is designing a system to coordinate primary, acute and long-term care services for older adults and adults with physical disabilities. A commitment to developing true integrated care is the starting place for the reform. The desire to end the separation between health care (primary/acute) and long-term care and support systems and the discontinuity across service delivery settings and providers will guide the development of the reform. The Department will build upon the lessons learned from the Vermont Independence Project's Care Partners program (e.g., physical co-location of case management in a primary care setting) and the planning for the Program for All-inclusive Care for Elderly (PACE), a coordinated care delivery system.

Introduction: The business case for integrating health and long-term care

Low-income older Vermonters who are frail and chronically ill and adults with physical disabilities are among the most vulnerable citizens in our state. They often have multiple complex health and long-term care needs, struggle to access necessary services, and find that their health and long-term care needs are poorly coordinated. These shortcomings in the system can compromise health, safety and wellbeing, and make it more difficult for these vulnerable Vermonters to continue to live in their own homes or in other community settings.

There is also a compelling business case to be made for focusing on the needs of these Vermonters:

- Annual Medicaid expenditures currently approach \$40,000 per individual.
- Demographic projections indicate that between 2003 and 2013, Vermont's population of elders living in the community and persons with physical disabilities will grow by 42 percent.
- Documented examples of integrated care strategies from other states have demonstrated a positive return on investment in terms of State expenditures, improved quality of care, and increased participant satisfaction.

Doesn't the State already have programs for this group of Vermonters?

Vermont currently has several progressive long-term care programs. Some of these include:

- Choices for Care, a federal long-term care waiver demonstration program that aims to equalize access to home and community-based services and nursing home services, by eliminating the traditional Medicaid coverage bias for nursing home services;
- Consumer- and surrogate-directed options and Flexible Choices (Cash and Counseling) which are part of the Choices for Care demonstration program;
- Attended Services Program, an attendant care program that includes self direction of personal care services; and
- PACE, a site-based, integrated health and long-term care program for individuals who are at least 55 and are frail, which will start in Burlington and then in Rutland.

None of these programs, however, comprehensively addresses the range of problems faced by the statewide population of older Vermonters who are low-income, frail and chronically ill and adults with physical disabilities. Specifically, the existing programs do not integrate and coordinate acute, primary and long-term care services funded by Medicare and Medicaid, with the exception of PACE, which covers limited geographic areas and a limited age group (55+).

In recognition of this unmet need, the Department, in collaboration with the Office of Vermont Health Access, secured a federal grant to develop a system that will build on the knowledge gained through current efforts and improve the lives of a larger number of older Vermonters who are at-risk and adults with disabilities by integrating the delivery of acute, primary and long-term care services. The Community Advisory Committee to the grant has tentatively decided to name this new system of care “MyCare Vermont: Resources for Independence and Coordinated Health Care.”

Five key concepts

The Department was awarded a three-year federal grant to design and implement a new method for service delivery for older Vermonters who are low-income, frail and chronically ill, and for adults with physical disabilities.

The Department’s vision reflects five key concepts:

1. Coordinating all care planning through a **Person-Centered Interdisciplinary Care Team**, comprised of the participant, the participant’s primary care provider, a non-medical service coordinator, and a registered nurse;
2. Facilitating communication and coordination through the use of a common **Centralized Comprehensive Record** (preferably electronic);
3. Providing far greater **flexibility of covered services** than is allowed under traditional Medicare or Medicaid through a capitated payment (a per person rate) to the entity operating the program;
4. **Integrating Medicare and Medicaid funding** to eliminate existing perverse incentives and complexities for those who are eligible for both programs; and
5. Producing **program savings** to reinvest in services for participating Vermonters.

By pursuing these five concepts, Vermont can deliver necessary services and supports to vulnerable Vermonters in a way that better meets their needs, improves quality of life and health status, and uses State resources more efficiently.

Broad Community Involvement to Design the Program

Since starting work on this planning grant in January 2006, the Department has employed three processes to ensure that there is broad and informed community input into the program design.

Core Planning Team

The Department convened a Core Planning Team in January 2006. The team consists of health and long-term care professionals from the community, consumer representatives, and State and consultant staff, and is facilitated by a consultant.

The Core Planning Team meets at least monthly to develop the program design and make policy and program recommendations.¹

Community Advisory Committee

The Core Planning Team has been aided and advised in its work by a much larger body, the Community Advisory Committee, comprised of health, social service and long-term care providers, state agency representatives, advocates, and most importantly, consumers. Over 20 individuals participated in each of the five Community Advisory Committee meetings held during the first ten months of 2006. In this respect it serves as both a sounding board and a partner to the Core Planning Team in the design of the new integrated care model.

Community Feedback Partners

The Department has taken an additional step to ensure that community perspectives are incorporated into the creation of the integrated program. Each of the draft Core Planning Team policy recommendations is distributed to the Long-Term Care Coalitions across the state, as well as to any other statewide organizations expressing interest in participating in the feedback process. The Coalitions and other organizations review the draft policies and then utilize a structured questionnaire to provide their feedback. The responses are analyzed by the Department's consultant and are then presented to the Community Advisory Committee, which in turn communicates with the Core Planning Team. Eight of the State's eleven Long-Term Care Coalitions are participating in the process. In addition, the Community Geriatric Group of the Department of Community and Family Medicine at Dartmouth Medical School, the Vermont Association of Adult Day Services, the Vermont Association of Professional Care Providers, and the Area Agencies on Aging are participating as Community Feedback Partners.

How would an integrated care model work?

The Department the Core Planning Team and the Community Advisory Committee have given extensive thought to how the model would operate. The attachment entitled "MyCare Vermont Overview" describes the model's operation in detail.

Why has the Department issued this RFP?

Under one possible model, the Department would contract with provider organizations to administer the program. The provider organizations would be able to accept capitated payments from both Medicare (full risk) and from Vermont Medicaid (shared risk). The provider organization could be existing or newly formed organizations and/or consortiums of existing providers.

Since the integrated care model is new to Vermont, the Department will consider a wide variety of possible provider models to operationalize and support an integrated care delivery system, either regionally or statewide. The Department welcomes creative proposals as to possible alternatives for developing this model in a particular area with new or existing provider organizations. The

¹ Attachment A provides the overview of MyCare Vermont as developed by the Core Planning Team. Attachment B contains an analysis of Medicaid expenditures for Medicaid-only and dual eligible populations.

Department will accept a proposal to develop a business plan to provide services within a particular region. However, the goal is to eventually have statewide availability of this model under the auspices of one or more organizations. Responses to this RFP will help the Department determine the initial service area in which the provider organization(s) would operate the program.

Since the entity must be able to accept Medicare capitation payments, the Department has identified the following options for developing this model. Proposals must address one or a combination of these options.

- Expansion of the PACE model in additional areas of the state. PACE projects may serve individuals 55 years of age and over who are frail and chronically ill.
- Development of Special Needs Plans (SNPs) to serve Vermonters who are older, frail and chronically ill, and adults with physical disabilities and/or chronic illnesses.
- Development of a combination of a SNP for younger adults with physical disabilities and/or chronic illnesses and a PACE project for the population age 55 and over.

Detailed information on PACE and SNPs can be found at www.cms.gov.

Please note: It is strongly recommended that bidders carefully review the information attached in the appendices and referenced federal website to understand the planning process the State has used to date.

REQUEST FOR PROPOSALS

Bid Description:

The goal of this bid opportunity is to provide resources to interested and qualified organizations to develop the capability and expertise necessary to provide services using this model of care. The target population for this model of care are Vermont adults who are found clinically eligible by the Department for the high or highest need group under Choices for Care, Vermont's Long-Term Care Medicaid program. In the future, the Department may propose expanding the model to include all the Vermonters who are Medicare and Medicaid eligible.

The Department is seeking bidders interested in obtaining planning funds to be use 1) to determine the feasibility of participating in MyCare Vermont as a capitated entity, and 2) to develop a business plan for bringing into fruition a MyCare Vermont entity that will provide Person-Centered Services in an integrated health and long-term care system. It is expected that the successful bidder(s) of this RFP will work closely with the Department to develop the business plan.

It is anticipated that the Department will initiate a separate RFP process at a later date to seek bidders who are interested in contracting with the Department to deliver the MyCare Vermont program.

Scope of Work Expected of Successful Bidders:

1. Develop a working committee of Vermont Medicaid providers and other community stakeholders responsible for providing oversight in the development of a business plan.
2. Research and write a business plan for an integrated health and long-term care organization. The business plan must include the following elements:
 - a. General description of the organization, including a vision statement, a statement of how a consumer would benefit from receiving services from your organization, and an explanation as to why your organization should be a part of MyCare Vermont. Identify creative solutions that will be used to develop this model of care.
 - b. Market analysis, including target market, and geographic scope.
 - c. Management team members, their organizational affiliations, and a description of the organization and management team's relevant experience working with Vermont's existing provider network.
 - d. Operating strategies, including description of all services to be provided, who will provide the services, how administrative functions (e.g., member enrollment, claims payment, provider network contracting and servicing, customer service and quality management) will be provided, resources needs, and a marketing plan.
 - e. Identified start-up challenges, using a SWOT analysis, and how you will address them.
 - f. Financial projections for the first 5 years of operation, including capital needs.
 - g. Business risks, once operational, and how you will address them.
 - h. A statement of the nature and scope of support you would need from the State to become a MyCare Vermont organization.
 - i. A timetable for bringing your organization to the point of being able to enroll members.
3. Meet monthly with the Department to discuss and review the progress on writing the business plan.

Bid Format:

Proposals must not exceed ten (10) single-sided typed pages, double-spaced, use 12-point font, and include the following elements:

Existing stakeholder involvement and commitment (40 points):

1. Brief description of the community provider or the network of community providers and other stakeholders that are interested in collaboration (the bidder). This description should include a) their organizational histories, organizational structures, and management personnel; b) a statement that explains how the bidder has the time and resources necessary to develop a business plan; and c) confirmation that the bidder is a Vermont Medicaid provider or plans to become a Vermont Medicaid provider.
2. Resolution from a representative mix of providers of acute, primary and long-term care services expressing support for the potential provider organization to apply for planning funds. (Not included in the 10 pages; include in an appendix.)
3. Description of the process to be used to ensure broad consumer and provider input during the planning process.

Relevant experience (10 points):

4. The names, positions, qualifications and affiliations of all who will be developing the business plan. If the bidder plans to use consultants, indicate names and qualifications, if known.
5. Brief description of the bidder's:
 - a. knowledge or experience with models that integrate primary/acute and long-term care;
 - b. understanding of integrating Medicare and Medicaid funding delivering flexible services; and,
 - c. understanding of the concept of accepting risk.
6. A description of the capacity of the bidder to create a PACE program (PACE program "without walls") and/or a SNP to serve MyCare Vermont enrollees, and how MyCare Vermont aligns with the bidder's mission.

Approach (30 points):

7. A statement explaining how the potential provider organization's mission would be aligned with the five key concepts for MyCare Vermont. These concepts are listed above.
8. Description of the potential geographic area and the potential target populations that will be served. Bidders may choose to serve one or both of the populations defined (older Vermonters who are frail and chronically ill, and adults with physical disabilities).

9. Include a work plan that defines the tasks with completion dates for the tasks to complete a business plan. (Not included in the 10 pages; include in an appendix.)

Budget (20 points):

10. Budget: The proposal should include a detailed budget with reasonable costs for business plan development. (Not included in the 10 pages; include in an appendix.)

All costs incurred by the bidder during the preparation of proposals and for other procurement-related activities shall be the sole responsibility of the bidder. The State of Vermont shall not reimburse the bidder for any such costs.

Revised Timeline for RFP and Completion of the Business Plan:

RFP Issued: November 27, 2006

Educational Seminar: December 19, 2006

Bidders' Conference: December 21, 2006

Proposals Due and Bid Opening: February 23, 2007 (3:30 p.m.)

Contract Award(s) Announced: March 16, 2007

Anticipated Start Date: April 16, 2007

Anticipated Completion Date (Business Plan due to DAIL): August 31, 2007

Requirements for Submission:

All proposals must be submitted to:

Joan Haslett
Project Director, Real Choice Systems Change Grant
Weeks Building, Room 228
103 South Main Street
Waterbury, VT 05671-1601

The Bidder must include a cover page with the name, address, phone number and email address of the person representing the organization. The Department will not be inviting bidders to do a presentation of their proposal.

The bidder must submit one electronic version (on disc or CD) and twelve paper copies of the proposal (the electronic copy must be in Microsoft Word). Both the electronic and paper copies of all proposals must be received by the Department no later than **3:30 p.m. on February 23, 2007.**

The Department reserves the right to accept or reject any or all proposals. Department staff and individual experts selected by the Department will evaluate the proposals. Bidders may be contacted if clarifying information is needed. If a proposal is selected, the person or organization that submitted the proposal will be invited to negotiate a contract.

Evaluation Criteria:

Proposals shall be evaluated on the basis of the following criteria:

- Stakeholder involvement and commitment (40 points)
- Relevant experience of the organization(s) (10 points)
- Approach (30 points)
- Budget (20 points)

Additional Information:

It is the expectation of the Department that successful bidders to this RFP who complete business plans will be interested in actively pursuing the development of a MyCare Vermont organization in Vermont. After evaluation of the business plans, the Department will issue an additional RFP to contract with one or more MyCare Vermont organizations.

Educational Seminar:

The Department is sponsoring an educational seminar focused on the regulatory and financial aspects of developing Special Needs Plans and PACE in rural areas. This is a chance for interested provider organizations, health care professionals and stakeholders to learn more about this business opportunity. The event will be held at the DoubleTree Hotel in Burlington, Vermont on Tuesday, December 19, 2006. There is no charge for attendance. For more information and to register, contact:

Renita Jacobs
(802) 241-4534
Renita.jacobs@dail.state.vt.us

Bidders Conference:

The Department will conduct a bidders' conference on December 21, 2006. At the conference a brief overview of the project will be presented and bidders will be able to ask questions. The conference will be held at the Waterbury State Office Complex, Room 107 Stanley Hall, 103 South Main Street, Waterbury, Vermont. If bidders cannot attend in person they can participate by conference call; contact Joan Haslett for details (contact information is listed below).

Contact Information:

Please direct any questions regarding this RFP to:

Joan Haslett, Project Director
Phone: (802) 241-4529
Email: joan.haslett@dail.state.vt.us

Attachments (2): ***See original RFP for attachments.***

- A.** MyCare Vermont Overview
- B.** Dual eligibles and Medicaid-only populations by county